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Welfare Oversight Committee

Report to the
COLORADO
GENERAL ASSEMBLY

Colorado Legislative Council
Research Publication No. 492
December 2001

RECOMMENDATIONS FOR 2002

WELFARE OVERSIGHT COMMITTEE

**Report to the
Colorado General Assembly**

**Research Publication No. 492
December 2001**

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December 2001

To Members of the Sixty-third General Assembly:

Submitted herewith is the final report of the Welfare Oversight Committee. This committee was created pursuant to Section 26-2-722, Colorado Revised Statutes. The purpose of the committee is to oversee the Colorado Works Program and its implementation by the counties.

At its meeting on November 15, 2001, the Legislative Council reviewed the report of this committee. A motion to forward this report and the bills therein for consideration in the 2002 session was approved.

Respectfully submitted,

/s/ Senator Stan Matsunaka
Chairman
Legislative Council

SM/JC/jh

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WELFARE OVERSIGHT COMMITTEE

Members of the Committee

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Senator Jim Dyer
Senator Mary Ellen Epps
Senator John Evans
Senator Bob Hagedorn
Senator Deanna Hanna
Senator Doug Linkhart

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EXECUTIVE SUMMARY

Committee Charge

Pursuant to Section 26-2-722, Colorado Revised Statutes, the Legislative Welfare Oversight Committee (consisting of all members of the Senate Health, Environment, Children, and Families Committee and all members of the House Health, Environment, Welfare, and Institutions Committee) has the responsibility of overseeing the Colorado Works Program and its implementation by the counties. The report summarizes the aspects of the Works Program that have been considered during the 2001 interim and any legislation recommended by the committee.

Committee Activities

The committee held three meetings during the 2001 interim. Because of a large number of new committee members, these meetings focused on the history of welfare reform in Colorado as well as the current status of the Colorado Works Program and the federal re-authorization process of the Temporary Assistance to Needy Families (TANF) program currently underway in Congress. The committee also heard from representatives of the Department of Human Services and counties about the progress of the Colorado Benefits Management System (CBMS). Colorado Works participant information is among the components of CBMS that will be included in the integrated database once CBMS is fully functional.

Committee Recommendations

As a result of committee discussion and deliberation, the committee recommends eight bills for consideration in the 2002 legislative session. Five of the recommended bills were approved by Legislative Council.

Bill A — Extensions Under the Colorado Works Program for Persons Who Have Reached the Sixty-Month Lifetime Limit for Receipt of TANF Assistance. The bill would allow county departments of social services to grant hardship extensions and domestic violence extensions for participants who have reached their 60-month lifetime limit for the Colorado Works Program. Hardship would be defined by rule of the State Board of Human Services, and counties will be allowed to define additional reasons for granting extensions.

Bill B — The State Earned Income Tax Credit, and, in Connection Therewith, Allowing the Credit for Any Income Tax Year Commencing on or After January 1, 2002. The bill allows the state earned income tax credit that presently exists only as a TABOR refund mechanism to be claimed for any income tax year commencing on or after January 1, 2002.

Bill C — Community Planning Grants to Support Work Force Development Programs for Low-Income Persons. The bill creates a work force development community grant program in the Department of Local Affairs. The grants would provide up to \$10,000 for counties to create workforce development programs, in collaboration with community partners, for Colorado Works Program participants or youth transitioning from foster care or from child-only Colorado Works services.

Bill D — Incentives to Encourage Colorado Works Participants to Pursue a Living Wage. The bill authorizes a county department of social services to implement a Colorado Works living wage program. Participants who maintain consistent employment for six consecutive months may receive incentive payments or other incentives from the county department as agreed upon in the individual responsibility contract.

Bill E — The Creation of the "Responsible Fatherhood Act", and Making an Appropriation in Connection Therewith. The bill creates a commission on responsible fatherhood in the Department of Human Services. The commission will promote positive involvement and interaction between fathers and their children with an emphasis on children eligible or formerly eligible for services funded by the Colorado Works Program.

Bill F — Grants to Public Schools for the Cost of Providing Extended Public Learning Programs to Children Receiving Public Assistance, and Making an Appropriation Therefor. The bill creates the Extended Learning Grant Program, administered by the State Board of Education, for public elementary schools that provide before- or after-school programs that are intended to enhance a student's ability to meet academic standards. Preference for the grants will be given to applicants whose programs will serve a larger numbers of students who are eligible for free lunch or who receive assistance under the Colorado Works Program.

Bill G — Segregated Funding Under the Colorado Works Program. The bill requires the Department of Human Services to segregate all county block grant funds allocated for the Colorado Works Program. Counties may use any segregated state or local moneys allocated under the Colorado Works Program in accordance with federal law. Segregated moneys may not be used for capital construction.

Bill H — Methods to Address Barriers to Self-Sufficiency in Colorado Works Participants, and Making an Appropriation Therefor. The bill authorizes the creation of the Colorado Works Substance Abuse and Mental Health Pilot Program. The program would assess the success and cost-effectiveness of using TANF moneys for grants to counties to improve the screening and assessment of Colorado Works participants for substance abuse problems or mental illness. In addition, the counties would be able to identify effective education methods to reduce the stigma associated with seeking treatment of substance abuse problems or mental illness.

STATUTORY AUTHORITY AND RESPONSIBILITIES

The passage of federal and state welfare reform legislation in 1996 and 1997 provided three significant changes: 1) it changed cash assistance for poor families with dependent children from an "entitlement" to a "block grant" subject to an annual appropriation process; 2) it created a "work-first" model of welfare reform in contrast to the previous Family Support Act model that emphasized education and training; and 3) it created definitive time limits, 24 cumulative months in which to find a job or be judged job-ready; and a 60-month lifetime limit in which assistance can be received.

The Colorado Works Program, effective July 1, 1997, replaced the former Aid to Families with Dependent Children (AFDC) and the JOBS Program. The Colorado Works Program provides the state the authority it needs to meet federal welfare reform requirements. The program also creates a work-first approach to reform that delegates most of the decision-making responsibility and authority for designing welfare reform in Colorado to the county level.

Pursuant to Section 26-2-722, C.R.S., the Legislative Welfare Oversight Committee has the responsibility to oversee the Colorado Works Program and its implementation by the counties.

The committee consists of the members of the House Health, Environment, Welfare, and Institutions Committee and the Senate Health, Environment, Children, and Families Committee. The statute directs the oversight committee to:

- submit an annual report;
- summarize the aspects of the Colorado Works Program that have been considered and propose any recommended legislative changes; and
- make recommendations concerning how to allocate any funds that the state receives as an illegitimacy bonus reward from the federal government. In making its recommendations on this issue, the committee shall consider how to make allocations based upon individual counties' success in reducing illegitimacy.

COMMITTEE ACTIVITIES

During the 2001 interim, the Welfare Oversight Committee received testimony regarding the background of welfare reform in Colorado, the federal re-authorization of the Temporary Assistance to Needy Families (TANF) program, and the Colorado Benefits Management System (CBMS). Eight bills were proposed to address individuals who have reached their 60-month lifetime limit for TANF benefits; barriers to participants' self-sufficiency; workforce development programs; after-school programs; and a responsible fatherhood program.

Background

The Colorado Works Program started July 1, 1997, as required by federal and state statute. The Welfare Oversight Committee has since met 11 times. When the committee first met, the focus was on county implementation of welfare plans and any problems that counties were encountering. In its second and third years, the committee continued to receive updates on the status of the Colorado Works program from the state and counties, as well as clients and advocates. This year, because of the many new committee members, three meetings were focused on the history of welfare reform in Colorado as well as the current status of the Colorado Works Program and the federal re-authorization process. The committee also heard from representatives of the Department of Human Services (DHS) and counties about the progress of the Colorado Benefits Management System (CBMS). Colorado Works participant information is among the components of CBMS that will be included in the integrated database once CBMS is fully functional.

60-Month Lifetime Limit

The Department of Human Services anticipates only a handful of individuals to hit the 60-month lifetime limit in October of 2001, the first date for which such a limit would be applied. The Department has an ongoing program to maintain close contact with those individuals and encourage contact with local county departments of human services if participants want to apply for an extension. Testimony from DHS indicated that the Department has set criteria for hardship extensions including mental or physical disability, drug abuse, and parents over 50 years of age.

Representatives from Colorado counties and advocates described some of the issues counties face in assisting difficult-to-serve clients, such as the disabled. They also described difficulties coping with families who have hit their lifetime limit and who have multiple issues that present barriers to their self-sufficiency. Families who are still receiving TANF benefits typically face three levels of barriers, often in combination. These are systemic barriers, skill and educational barriers, and personal barriers. Most long-term participants are not high school graduates, have a learning disability as well as mental health problems,

and have limited job experience and physical health problems. Many struggle to maintain a job or find a job that provides benefits and opportunities for advancement. Individuals such as these, providers maintained, would benefit from a safety net to ensure TANF benefits beyond the 60 months and that would help providers and clients to more thoroughly address some of these barriers.

Recommendation. Bill A allows county departments of social services to grant hardship extensions and domestic violence extensions for participants who have reached their 60-month limit. The State Board of Human Services would define hardship and counties would be allowed to define additional reasons for granting extensions. Bill C creates a work force development community grant program for counties to create work force development programs. Bill D authorizes a county to implement a living wage program that would provide incentive payments or other incentives for individuals who keep a job for six months or more. Bill H creates a pilot program to assess the success and cost-effectiveness of using TANF moneys for grants to counties to improve the screening and assessment of Colorado Works participants for substance abuse or mental illness. In addition the committee proposed Bill B that would make permanent the earned income tax credit.

The committee also proposed several bills to address some of the concerns raised regarding barriers to finding and maintaining employment including child care and supporting families. Bill E would create a commission to promote the role of the father in families who are participating the Colorado Works program. Bill F would provide grants to public schools that provide before- or after-school programs to help students meet academic standards. Preference would be given to schools that serve substantial populations of students eligible for Colorado Works programs.

Federal Re-authorization of TANF

The six-year implementation period for welfare reform expired in October of 2001. The debate concerning TANF re-authorization is underway at the federal level. The committee heard testimony about some of the issues that advocates and county representatives are addressing as the deadline approaches, most significant among these is the possibility of changes to or loss of current federal funding. Counties and advocates support the National Governors' Association and others who believe the TANF block grant should be preserved at its present level and increased annually for inflation. In addition, the flexibility of the block grants should be maintained to encourage state and local innovations, to achieve program outcomes, and to leverage resources. Advocates would also like to see changes to the current restrictions on how "work" is defined that would allow for greater flexibility in getting families off welfare.

Recommendation. Bill G requires the Department of Human Services to segregate all county block grant funds allocated for the Colorado Works Program. Segregating state and local maintenance of effort funds from federal TANF money would provide greater flexibility to counties in how they spend their Colorado Works funds.

SUMMARY OF RECOMMENDATIONS

As a result of the committee's activities, eight bills were recommended to the Colorado General Assembly. The Legislative Council committee reviews each interim committee's recommendations and determines whether the bills fall within the charge of the interim committee. In the 2001 interim, Legislative Council approved five of the Welfare Oversight committee's recommended bills. Bills B, E, and F were not approved.

Bill A — Concerning Extensions Under the Colorado Works Program for Persons Who Have Reached the Sixty-Month Lifetime Limit for Receipt of TANF Assistance.

The bill would allow county departments of social services to grant hardship extensions and domestic violence extensions for participants who have reached their 60-month lifetime limit for the Colorado Works Program. Hardship will be defined by rule of the State Board of Human Services, and counties will be allowed to define additional reasons for granting extensions.

Bill C — Concerning Community Planning Grants to Support Work Force Development Programs for Low-Income Persons.

The bill creates a work force development community grant program in the Department of Local Affairs. The grants would provide up to \$10,000 for counties to create workforce development programs, in collaboration with community partners, for Colorado Works Program participants or youth transitioning from foster care or from child-only Colorado Works services.

Bill D — Concerning Incentives to Encourage Colorado Works Participants to Pursue a Living Wage.

The bill authorizes a county department of social services to implement a Colorado Works living wage program. Participants who maintain consistent employment for six consecutive months may receive incentive payments or other incentives from the county department as agreed upon in the individual responsibility contract.

Bill G — Concerning Segregated Funding Under the Colorado Works Program.

The bill requires the Department of Human Services to segregate state and local maintenance of effort funds from federal TANF dollars to provide counties with greater spending flexibility. Counties may use any segregated state or local moneys allocated under

the Colorado Works Program in accordance with federal law. Segregated moneys may not be used for capital construction.

Bill H — Concerning Methods to Address Barriers to Self-Sufficiency in Colorado Works Participants, and Making an Appropriation Therefor.

The bill authorizes the creation of the Colorado Works Substance Abuse and Mental Health Pilot Program. The program would assess the success and cost-effectiveness of using TANF moneys for grants to counties to improve the screening and assessment of Colorado Works participants for substance abuse problems or mental illness. In addition, the counties would be able to identify effective education methods to reduce the stigma associated with seeking treatment of substance abuse problems or mental illness.

RESOURCE MATERIALS

The resource materials listed below were provided to the committee or developed by Legislative Council Staff during the course of the meetings. The summaries of meetings and attachments are available at the Division of Archives, 1313 Sherman Street, Denver (303) 866-2055. For a limited time, the meeting summaries and materials developed by Legislative Council Staff are available on our web site at:

www.state.co.us/gov_dir/leg_dir/lcsstaff/2001/01interim.

Meeting Summaries

Topics Discussed

July 24, 2001

History of Welfare Reform and TANF

September 6, 2001

60-Month Limit and the Colorado Benefits Management System

October 10, 2001

Discussion of Proposed Legislation

Memoranda and Reports

"Welfare Reform in Colorado," Colorado Department of Human Services, Office of Self-Sufficiency, Colorado Works Division, 2001.

"Evaluation of the Colorado Works Program," Berkeley Policy Associates, 2000.

"County Communications Initiative," Colorado Department of Human Services, 1998.

Bill A

HOUSE SPONSORSHIP

Stafford, Boyd, Clapp, and Romanoff

SENATE SPONSORSHIP

Linkhart, and Hernandez

A BILL FOR AN ACT

CONCERNING EXTENSIONS UNDER THE COLORADO WORKS PROGRAM FOR
PERSONS WHO HAVE REACHED THE SIXTY-MONTH LIFETIME LIMIT
FOR RECEIPT OF TANF ASSISTANCE.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Welfare Oversight Committee. Devolves to the county departments of social services ("county departments") the authority to grant hardship extensions and domestic violence extensions for Colorado works participants ("participants") who have exceeded their 60-month lifetime limit for receipt of temporary assistance for needy families (TANF) under the Colorado works program. Clarifies that the extensions shall be for hardships as defined by rule of the state board of human services or for domestic violence. Permits counties to define additional reasons in their county policies for granting a hardship extension.

States that a hardship extension or a domestic violence extension shall continue for no longer than 6 months and shall be reevaluated by the county department at the end of the 6-month period. Requires a participant who is granted a hardship extension or a domestic violence extension to complete an extension individual responsibility contract (extension IRC) for the length of the extension period. Requires the participant to follow all the terms and conditions outlined in the extension IRC, including the participation

activities required as a condition of the extension. Allows a participant to apply for an additional extension. Directs the county department to send a denial notice to a participant who applies for but is denied an extension due to lack of available extensions. Permits a participant who has been denied a hardship extension or a domestic violence extension to reapply for an extension.

Specifies the procedure to address noncompliance with an extension IRC. Clarifies that the sanctions for failure to comply with an IRC do not apply to an extension IRC.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. 26-2-716 (5), Colorado Revised Statutes, is amended to read:

26-2-716. County duties - appropriations - penalties - hardship extensions - domestic violence extensions - incentives. (5) (a) A county DEPARTMENT may ~~apply for~~ GRANT hardship ~~exemptions~~ EXTENSIONS OR DOMESTIC VIOLENCE EXTENSIONS for needy families that have exceeded the sixty-month lifetime limit for receipt of assistance set forth in the federal law. Approval of such hardship ~~exemptions~~ EXTENSIONS OR DOMESTIC VIOLENCE EXTENSIONS shall be granted by the ~~state~~ COUNTY department pursuant to fair and objective criteria as established by the state board. AS PART OF THE RULES, THE STATE BOARD SHALL ESTABLISH A SYSTEM FOR ALLOCATING THE NUMBER OF EXTENSIONS AVAILABLE FOR EACH COUNTY DEPARTMENT. EXTENSIONS MAY BE GRANTED DUE TO HARDSHIP, AS DEFINED BY THE STATE BOARD BY RULE, OR DUE TO DOMESTIC VIOLENCE. ADDITIONAL REASONS FOR GRANTING A HARDSHIP EXTENSION MAY BE DEFINED BY THE COUNTY AND INCLUDED IN ITS WRITTEN COUNTY POLICIES. A HARDSHIP EXTENSION OR A DOMESTIC VIOLENCE EXTENSION SHALL BE GRANTED FOR A DURATION OF NO LONGER THAN SIX

MONTHS AND SHALL BE REEVALUATED BY THE COUNTY DEPARTMENT AT THE END OF THE SIX-MONTH PERIOD.

(b) A PERSON WHO IS GRANTED A HARDSHIP EXTENSION OR A DOMESTIC VIOLENCE EXTENSION SHALL BE REQUIRED TO COMPLETE AN EXTENSION INDIVIDUAL RESPONSIBILITY CONTRACT FOR THE LENGTH OF THE EXTENSION PERIOD AND SHALL BE REQUIRED TO FOLLOW ALL THE TERMS AND CONDITIONS OF THE EXTENSION IRC, INCLUDING THE PARTICIPATION ACTIVITIES REQUIRED OF THE PARTICIPANT AS A CONDITION OF THE EXTENSION, AS OUTLINED IN THE EXTENSION IRC. IF A PARTICIPANT WANTS TO APPLY FOR AN ADDITIONAL EXTENSION, THE PARTICIPANT MAY REAPPLY DURING THE LAST MONTH OF THE CURRENT EXTENSION PERIOD.

(c) THE COUNTY DEPARTMENT SHALL SEND A DENIAL NOTICE TO A PARTICIPANT WHO APPLIES FOR BUT IS DENIED A HARDSHIP EXTENSION OR A DOMESTIC VIOLENCE EXTENSION DUE TO LACK OF AVAILABLE EXTENSIONS. A PARTICIPANT WHO HAS BEEN DENIED A HARDSHIP EXTENSION OR A DOMESTIC VIOLENCE EXTENSION MAY REAPPLY FOR AN EXTENSION.

(d) IF A PARTICIPANT WHO IS GRANTED A HARDSHIP EXTENSION OR A DOMESTIC VIOLENCE EXTENSION FAILS TO COMPLY WITH THE TERMS OF THE EXTENSION IRC, THE COUNTY DEPARTMENT SHALL DETERMINE IF THERE IS GOOD CAUSE FOR THE PARTICIPANT'S NONCOMPLIANCE WITH THE EXTENSION IRC. IF THE COUNTY DEPARTMENT DETERMINES THAT GOOD CAUSE DOES NOT EXIST FOR THE NONCOMPLIANCE WITH THE EXTENSION IRC, THEN THE COUNTY DEPARTMENT MAY REVOKE THE HARDSHIP EXTENSION OR THE DOMESTIC VIOLENCE EXTENSION. THE COUNTY DEPARTMENT SHALL NOT IMPOSE THE SANCTIONS SPECIFIED IN SECTION 26-2-711 (1).

SECTION 2. 26-2-703, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

26-2-703. Definitions. As used in this part 7, unless the context otherwise requires:

(10.3) "EXTENSION INDIVIDUAL RESPONSIBILITY CONTRACT" OR "EXTENSION IRC" MEANS THE CONTRACT ENTERED INTO BY THE PARTICIPANT AND THE COUNTY DEPARTMENT PURSUANT TO SECTION 26-2-716 (5) FOR A PARTICIPANT WHO HAS EXCEEDED THE SIXTY-MONTH LIFETIME LIMIT FOR TANF AND WHO IS GRANTED A HARDSHIP EXTENSION OR A DOMESTIC VIOLENCE EXTENSION.

SECTION 3. 26-2-711 (1), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

26-2-711. Works program sanctions against participants.

(1) (d) THE PROVISIONS OF THIS SUBSECTION (1) THAT RELATE TO THE IMPOSITION OF SANCTIONS FOR FAILURE TO COMPLY WITH AN IRC DO NOT APPLY TO AN EXTENSION IRC ENTERED INTO PURSUANT TO SECTION 26-2-716 (5) BY A PARTICIPANT GRANTED A HARDSHIP EXTENSION OR A DOMESTIC VIOLENCE EXTENSION.

SECTION 4. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

DRAFT

Bill A

Colorado Legislative Council Staff
NO FISCAL IMPACT

Drafting Number: LLS 02-0183
Prime Sponsor(s): Rep. Stafford
Sen. Linkhart

Date: November 27, 2001
Bill Status: Welfare Reform Oversight
Committee

Fiscal Analyst: Janis Baron (303-866-3523)

TITLE: CONCERNING EXTENSIONS UNDER THE COLORADO WORKS PROGRAM FOR PERSONS WHO HAVE REACHED THE SIXTY-MONTH LIFETIME LIMIT FOR RECEIPT OF TANF ASSISTANCE.

Summary of Assessment

The bill authorizes county departments of social services to grant hardship or domestic violence extensions for needy families that have exceeded the 60-month lifetime limit for Temporary Aid to Needy Families (TANF) assistance. The State Board of Human Services is required, under its rule making authority, to define the parameters for a hardship extension. The Board is also required to establish a system for allocating the number of extensions available per county. Extensions shall continue no longer than 6 months and shall be reevaluated by the county at the end of the 6-month period. The bill identifies participant responsibilities regarding extensions. The bill is effective upon signature of the Governor.

The bill is assessed as having no state or local fiscal impact to the Colorado Works Program. Although counties are authorized to grant extensions for TANF assistance, the fiscal note assumes that any costs associated with such extensions will be absorbed within each county's existing block grant allocation for Colorado Works. For FY 2001-02, the appropriation for Colorado Works Program, County Block Grants is \$158.7 million.

Departments Contacted

Human Services

Bill C

HOUSE SPONSORSHIP

Stafford, Boyd, Clapp, and Romanoff

SENATE SPONSORSHIP

Linkhart, and Hernandez

A BILL FOR AN ACT

CONCERNING COMMUNITY PLANNING GRANTS TO SUPPORT WORK FORCE
DEVELOPMENT PROGRAMS FOR LOW-INCOME PERSONS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Welfare Oversight Committee. Creates a work force development community grant program in the department of local affairs ("department") to provide community planning grants for local communities or work force investment areas for new or expanded work force development programs. Specifies that the programs target low-income workers who are Colorado works program participants or youth transitioning from foster care or from child-only Colorado works services or both groups. Provides for community planning grants in an amount not to exceed \$10,000 to counties collaborating with one or more community partners, such as local community colleges, local work force centers (one-stop operators) and local work force boards, and local employers and businesses to develop work force development programs to provide short-term, targeted education and training to Colorado works program participants or to transitioning youth or to both.

Directs the state work force development council to specify the criteria for applying for a community planning grant. Provides that the grant awards shall be made by the state work force development council, subject to available appropriations. Directs that the community planning grant be used

to complete a needs assessment of the local community or work force investment area. Specifies that the needs assessment shall be the basis for developing local priorities and strategies for designing a work force development program using the resources of the community partners.

Directs the department to provide technical assistance and training to support participating counties and community partners in implementing the work force development programs funded by the community planning grants. Allows the department to accept and expend grants from public or private sources for the purpose of making the community planning grants. Requires community planning grant recipients to report to the department and to the state work force development council about the effectiveness of their work force development program and the work force development community grant program. Requires the department and the state work force development council to report to the welfare oversight committee on the work force development community grant program.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Part 2 of article 71 of title 8, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

8-71-225. Work force development community grant program for low-income persons - vocational training - community planning grants.

(1) (a) THE GENERAL ASSEMBLY RECOGNIZES THAT STUDIES OF THE COLORADO WORKS PROGRAM HAVE MADE THE FOLLOWING FINDINGS:

(I) THAT COLORADO WORKS PROGRAM PARTICIPANTS WHO PARTICIPATED IN VOCATIONAL TRAINING HAD SIGNIFICANTLY HIGHER ANNUAL EARNINGS OUTCOMES, ESPECIALLY WHEN THEY ALSO PARTICIPATED IN UNSUBSIDIZED EMPLOYMENT WHILE RECEIVING ASSISTANCE UNDER THE COLORADO WORKS PROGRAM;

(II) THAT COLORADO WORKS PROGRAM PARTICIPANTS WHO COMPLETED VOCATIONAL TRAINING ALSO HAD STRONG EARNINGS GROWTH IN THE YEAR AFTER THEIR EXIT FROM THE COLORADO WORKS PROGRAM;

(III) THAT COLORADO WORKS PROGRAM PARTICIPANTS WHO ENTERED EMPLOYMENT WHILE STILL RECEIVING ASSISTANCE HAD HIGH EARNINGS RELATIVE TO OTHER PARTICIPANTS DURING THE YEAR AFTER THEY EXITED THE PROGRAM, BUT THAT THESE PARTICIPANTS HAD NO EARNINGS GROWTH IN THE YEAR AFTER LEAVING THE PROGRAM, THUS SUGGESTING THAT MANY PARTICIPANTS EITHER WERE NOT WORKING STEADILY IN THE YEAR AFTER EXIT OR WERE EMPLOYED IN RELATIVELY LOW-SKILLED JOBS;

(IV) THAT THERE HAS BEEN LIMITED USE OF EDUCATION AND VOCATIONAL TRAINING IN THE COLORADO WORKS PROGRAM.

(b) THE GENERAL ASSEMBLY FINDS THAT THE RESEARCH INDICATES THAT A VIABLE SOLUTION FOR SELF-SUFFICIENCY FOR COLORADO WORKS PROGRAM PARTICIPANTS IS SHORT-TERM, TARGETED EDUCATION AND TRAINING TO HELP THEM INCREASE THEIR EARNINGS.

(c) THE GENERAL ASSEMBLY ALSO FINDS THAT YOUTH TRANSITIONING FROM FOSTER CARE OR FROM CHILD-ONLY COLORADO WORKS PROGRAM SERVICES WOULD ALSO BENEFIT FROM SHORT-TERM, TARGETED EDUCATION AND TRAINING SERVICES.

(d) THE GENERAL ASSEMBLY ALSO FINDS THAT BUSINESSES AND INDUSTRIES IN THIS STATE HAVE IDENTIFIED THE SHORTAGE OF QUALIFIED WORKERS AT ALL LEVELS AS ONE OF THE TOP PROBLEMS FACING BUSINESS AND INDUSTRY.

(e) THE GENERAL ASSEMBLY THEREFORE FINDS THAT A COLLABORATIVE EFFORT BETWEEN THE BUSINESS COMMUNITY, THE COMMUNITY COLLEGE SYSTEM, THE COUNTY DEPARTMENTS OF SOCIAL SERVICES, THE STATE WORK FORCE DEVELOPMENT COUNCIL, AND THE DEPARTMENT OF LOCAL AFFAIRS TO PURSUE EXPANDED WORK FORCE DEVELOPMENT STRATEGIES WOULD BE BENEFICIAL IN ASSISTING COLORADO WORKS PROGRAM PARTICIPANTS AND TRANSITIONING YOUTH IN ACHIEVING LASTING SELF-SUFFICIENCY WHILE ADDRESSING THE NEEDS OF BUSINESS AND INDUSTRY FOR QUALIFIED WORKERS.

(2) THERE IS HEREBY CREATED IN THE DEPARTMENT OF LOCAL AFFAIRS A WORK FORCE DEVELOPMENT COMMUNITY GRANT PROGRAM. THE PURPOSE OF SAID PROGRAM SHALL BE TO PROVIDE COMMUNITY PLANNING GRANTS TO COUNTIES FOR NEW OR EXPANDED WORK FORCE DEVELOPMENT PROGRAMS THAT FOCUS ON THE NEEDS OF:

(a) LOW-INCOME WORKERS WHO ARE COLORADO WORKS PROGRAM PARTICIPANTS; OR

(b) YOUTH WHO ARE TRANSITIONING FROM FOSTER CARE AND ARE AT RISK OF BECOMING COLORADO WORKS PROGRAM PARTICIPANTS OR ARE TRANSITIONING FROM CHILD-ONLY COLORADO WORKS PROGRAM SERVICES; OR

(c) BOTH OF THE GROUPS DESCRIBED IN PARAGRAPHS (a) AND (b) OF THIS SUBSECTION (2).

(3) SUBJECT TO AVAILABLE APPROPRIATIONS, THE STATE COUNCIL MAY AWARD A COMMUNITY PLANNING GRANT IN AN AMOUNT NOT TO EXCEED TEN THOUSAND DOLLARS TO A COUNTY OR TO A GROUP OF COUNTIES THAT HAVE DEVELOPED A COLLABORATIVE WORK FORCE DEVELOPMENT STRATEGY

WITH ITS COLORADO WORKS PROGRAM OR ITS CHILD WELFARE PROGRAM AND ONE OR MORE OF THE FOLLOWING ENTITIES, WHO SHALL BE REFERRED TO IN THIS SECTION AS "COMMUNITY PARTNERS":

(a) A LOCAL COMMUNITY COLLEGE;

(b) THE ONE-STOP OPERATOR IN A WORK FORCE INVESTMENT AREA AND THE WORK FORCE BOARD IN SUCH WORK FORCE INVESTMENT AREA;

(c) LOCAL EMPLOYERS AND BUSINESSES IN THE COMMUNITY OR WORK FORCE INVESTMENT AREA.

(4) A COUNTY OR A GROUP OF COUNTIES APPLYING TO THE STATE COUNCIL FOR CONSIDERATION FOR A COMMUNITY PLANNING GRANT SHALL SUBMIT A PLAN WHICH MEETS THE SPECIFIC CRITERIA SET BY THE STATE COUNCIL. THE CRITERIA SHALL INCLUDE, AT A MINIMUM, THE FOLLOWING PROVISIONS:

(a) THE COUNTY OR THE GROUP OF COUNTIES AND THE COMMUNITY PARTNERS SHALL DEMONSTRATE THAT THEY ARE ABLE TO PROVIDE LOCAL FINANCIAL AND IN-KIND RESOURCES TO MATCH THE COMMUNITY PLANNING GRANT TO COVER EXPENSES OR NEEDS, INCLUDING STAFF SUPPORT, MEETING FACILITATION, AND OTHER LOCAL RESOURCES;

(b) THE COUNTY OR THE GROUP OF COUNTIES AND THE COMMUNITY PARTNERS SHALL HAVE A PLAN AND A TIME FRAME TO COMPLETE A NEEDS ASSESSMENT OF THE FOLLOWING:

(I) THE NEEDS OF BUSINESS, INDUSTRY, AND EMPLOYERS WITH RESPECT TO RECRUITING AND RETAINING EMPLOYEES WITH TECHNICAL OR SPECIAL SKILLS FOR PARTICULAR TYPES OF EMPLOYMENT IN THE COMMUNITY OR WORK FORCE INVESTMENT AREA;

(II) THE NEEDS OF LOW-INCOME COLORADO WORKS PROGRAM PARTICIPANTS TO OBTAIN EDUCATION, TRAINING, OR SPECIFIC JOB SKILLS;

(III) THE NEEDS OF YOUTH TRANSITIONING FROM FOSTER CARE OR FROM CHILD-ONLY COLORADO WORKS SERVICES;

(c) A DESCRIPTION OF THE WORK FORCE DEVELOPMENT PROGRAM SITE, INCLUDING THE LOCAL GEOGRAPHY, THE DEMOGRAPHICS OF THE AREA, THE ECONOMY OF THE AREA, AND THE SPECIFIC WORK FORCE ISSUES ANTICIPATED TO BE IDENTIFIED AS PROBLEMS OR BARRIERS;

(d) A DESCRIPTION OF THE INTENDED TARGET POPULATION;

(e) A PROPOSED DESCRIPTION OF THE NEEDS, OPPORTUNITIES, AND ISSUES THAT THE COUNTY OR THE GROUP OF COUNTIES AND THE COMMUNITY PARTNERS ANTICIPATE ADDRESSING WITH THE COMMUNITY PLANNING GRANT;

(f) A DESCRIPTION OF THE COMMUNITY PARTNERS WHO WILL BE INVOLVED IN THE LOCAL NEEDS ASSESSMENT AND THE PLANNING PROCESS INCLUDING:

(I) A DESCRIPTION OF THE TRAINING PROGRAMS OR JOB SKILL INITIATIVES THAT THE COMMUNITY PARTNERS ARE PROPOSING TO DEVELOP TO MEET A LOCAL WORK FORCE NEED; OR

(II) A DESCRIPTION OF A PROPOSED SCHOLARSHIP PROGRAM TO TRAIN COLORADO WORKS PROGRAM PARTICIPANTS OR TRANSITIONING YOUTH IN A PARTICULAR FIELD THAT PRESENTS A WORK FORCE NEED IN THE COMMUNITY. THE SCHOLARSHIP PROGRAM SHALL INCLUDE A COMMITMENT FROM THE PARTICIPANT TO REPAY THE COMMUNITY BY RETURNING TO, OR STAYING IN, THE COMMUNITY TO WORK IN THAT PARTICULAR FIELD.

(g) IF THE COMMUNITY PLANNING GRANT INCLUDES EXPANSION OF EXISTING WORK FORCE DEVELOPMENT PROGRAMS OR STRATEGIES, A DESCRIPTION AND HISTORY OF THOSE PROGRAMS OR STRATEGIES, AN EXPLANATION OF THEIR EFFECTIVENESS, AND A DESCRIPTION OF HOW THE PROGRAMS OR STRATEGIES WOULD BE EXPANDED;

(h) A DESCRIPTION OF ITEMS TO BE FUNDED FROM THE COMMUNITY PLANNING GRANT INCLUDING:

(I) A BUDGET; AND

(II) AN IDENTIFICATION OF LOCAL RESOURCES THAT WILL BE USED TO HELP SUPPORT THE WORK FORCE DEVELOPMENT PLANNING PROCESS;

(i) A PRELIMINARY WORK PLAN AND TIME LINE DESCRIBING HOW THE COUNTY OR THE GROUP OF COUNTIES AND THE COMMUNITY PARTNERS WILL CONDUCT THE NEEDS ASSESSMENT, SET PRIORITIES, AND DEVELOP STRATEGIES TO ADDRESS THE WORK FORCE DEVELOPMENT ISSUES IN THE COMMUNITY OR WORK FORCE INVESTMENT AREA THAT ARE IDENTIFIED THROUGH THE NEEDS ASSESSMENT, AS WELL AS THE PLANNING PROCESS FOR IMPLEMENTING THOSE STRATEGIES.

(5) A COUNTY OR A GROUP OF COUNTIES THAT IS AWARDED A COMMUNITY PLANNING GRANT SHALL USE THE COMMUNITY PLANNING GRANT TO COMPLETE A NEEDS ASSESSMENT OF THE LOCAL COMMUNITY. BASED UPON THE NEEDS ASSESSMENT, THE COUNTY OR THE GROUP OF COUNTIES AND THE COMMUNITY PARTNERS SHALL USE THE COMMUNITY PLANNING GRANT TO DEVELOP LOCAL PRIORITIES AND STRATEGIES THAT FOCUS ON ONE OR MORE AREAS IDENTIFIED IN THE NEEDS ASSESSMENT. SUCH STRATEGIES SHALL BE DESIGNED TO DEVELOP SHORT-TERM, TARGETED EDUCATIONAL OR

VOCATIONAL TRAINING PROGRAMS OR SCHOLARSHIP PROGRAMS USING THE RESOURCES OF LOCAL COMMUNITY COLLEGES, ONE-STOP OPERATORS, OR LOCAL EMPLOYERS. SAID PROGRAMS SHALL TRAIN COLORADO WORKS PROGRAM PARTICIPANTS OR TRANSITIONING YOUTH IN A PARTICULAR TECHNICAL OR VOCATIONAL SKILL THAT WILL LEAD TO BETTER-PAYING JOBS AND WILL SUPPLY LOCAL BUSINESSES OR INDUSTRIES WITH EMPLOYEES THAT HAVE TECHNICAL SKILLS.

(6) THE DEPARTMENT OF LOCAL AFFAIRS SHALL PROVIDE TECHNICAL ASSISTANCE AND TRAINING TO SUPPORT PARTICIPATING COUNTIES AND COMMUNITY PARTNERS IN THE IMPLEMENTATION OF THE WORK FORCE DEVELOPMENT PROGRAMS FUNDED BY THE COMMUNITY PLANNING GRANTS. THE DEPARTMENT OF LOCAL AFFAIRS IS AUTHORIZED TO ACCEPT AND EXPEND ANY GRANTS FROM ANY PUBLIC OR PRIVATE SOURCE FOR THE PURPOSE OF MAKING COMMUNITY PLANNING GRANTS PURSUANT TO THIS SECTION. NOTHING IN THIS SECTION SHALL BE CONSTRUED TO PROHIBIT A COUNTY OR A COMMUNITY PARTNER FROM ACCEPTING AND EXPENDING GRANTS OR DONATIONS FROM PUBLIC OR PRIVATE SOURCES TO OPERATE THE WORK FORCE DEVELOPMENT PROGRAM.

(7) (a) A COUNTY OR A GROUP OF COUNTIES THAT RECEIVES A COMMUNITY PLANNING GRANT SHALL SUBMIT A REPORT TO THE DEPARTMENT OF LOCAL AFFAIRS AND TO THE STATE COUNCIL ABOUT ITS WORK FORCE DEVELOPMENT PROGRAM WITHIN ONE YEAR, AND TWO YEARS AFTER THE RECEIPT OF THE COMMUNITY PLANNING GRANT. THE DEPARTMENT OF LOCAL AFFAIRS SHALL SPECIFY THE CONTENTS OF SUCH REPORT, WHICH SHALL INCLUDE:

(I) THE OUTCOMES OF THE WORK FORCE DEVELOPMENT PROGRAM;

(II) THE EFFECTIVENESS OF THE WORK FORCE DEVELOPMENT PROGRAM IN INCREASING THE SELF-SUFFICIENCY OF COLORADO WORKS PARTICIPANTS OR TRANSITIONING YOUTH; AND

(III) THE COUNTY'S AND THE COMMUNITY PARTNERS' RECOMMENDATIONS FOR CHANGES TO THEIR WORK FORCE DEVELOPMENT PROGRAM OR TO THE WORK FORCE DEVELOPMENT COMMUNITY GRANT PROGRAM.

(b) THE DEPARTMENT OF LOCAL AFFAIRS AND THE STATE COUNCIL SHALL SUBMIT A REPORT EVALUATING THE WORK FORCE DEVELOPMENT COMMUNITY GRANT PROGRAM TO THE WELFARE OVERSIGHT COMMITTEE OF THE GENERAL ASSEMBLY ESTABLISHED IN SECTION 26-2-722, C.R.S., ON OR BEFORE JULY 1, 2004.

SECTION 2. 8-71-222 (2), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

8-71-222. State council - duties. (2) The state council shall assist the governor in the following:

(i.5) SETTING THE CRITERIA FOR AWARDED COMMUNITY PLANNING GRANTS FOR THE WORK FORCE DEVELOPMENT COMMUNITY GRANT PROGRAM AS DESCRIBED IN SECTION 8-71-225 AND AWARDED COMMUNITY PLANNING GRANTS PURSUANT TO SUCH SECTION.

SECTION 3. 8-71-203, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

8-71-203. Definitions. As used in this part 2, unless the context otherwise requires:

(1.5) "COLORADO WORKS PROGRAM" MEANS THE PROGRAM OF PUBLIC ASSISTANCE CREATED IN PART 7 OF ARTICLE 2 OF TITLE 26.

SECTION 4. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

DRAFT

Bill C

Colorado Legislative Council Staff

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 02-0118

Date: December 6, 2001

Prime Sponsor(s): Rep. Tochtrop
Sen. Linkhart

Bill Status: Welfare Reform Oversight
Committee

Fiscal Analyst: Janis Baron (303-866-3523)

TITLE: CONCERNING COMMUNITY PLANNING GRANTS TO SUPPORT WORK FORCE
DEVELOPMENT PROGRAMS FOR LOW-INCOME PERSONS.

Fiscal Impact Summary	FY 2002/2003	FY 2003/2004
State Revenues General Fund		
State Expenditures* General Fund	\$ 259,735	\$ 255,999
FTE Position Change	0.8 FTE	0.8 FTE
Other State Impact: None		
Effective Date: Upon Signature of the Governor		
Appropriation Summary for FY 2002/2003: Department of Local Affairs \$ 259,735 GF and 0.8 FTE		
Local Government Impact: No local government costs; grants of no more than \$10,000 are made available to local governments under the bill.		

- * The bill establishes the Work Force Development Community Grant Program. However, the bill merely authorizes the State Work Force Development Council to award grants under the program, subject to available appropriations. The fiscal note assumes that the intent of the bill is to issue grants to local governments. Thus, in the absence of any gifts, grants, donations or potential federal funds, the fiscal note assumes the program will require General Fund support.

Summary of Legislation

The bill creates a Work Force Development Community Grant Program in the Department of Local Affairs (DOLA) to provide community planning grants for local communities or work force investment areas for new or expanded work force development programs. The local programs are required to target Colorado Works Program participants, youth transitioning from foster care or child-only Colorado Works services, or both.

Subject to available appropriations, the State Work Force Development Council is authorized to award community planning grants in an amount not to exceed \$10,000 to counties collaborating with one or more community partners as defined in the bill. The Council is required to: (1) set the criteria for applying for a community planning grant (as specified in the bill); and (2) assist the Governor in setting the criteria for awarding a community planning grant.

The DOLA is required to provide technical assistance and training to support participating counties and community partners in implementing the work force development programs funded by the community planning grants. The bill establishes reporting requirements.

State Expenditures

The bill's fiscal impact can range anywhere between \$0 and \$844,151 in FY 2002-03. For FY 2003-04, costs are estimated between \$0 and \$832,943. The bill will require General Fund support for: (1) grants to local governments; and (2) staff in the DOLA to provide technical assistance and training in support of participating counties. The following assumptions have been used in identifying the bill's costs:

- *Grant Awards.* Grant awards can be no more than \$10,000. The bill authorizes the Council to award grants to counties (of which there are 64) and/or workforce regions consisting of groups of counties (of which there are 18). Thus, grant awards can range between \$0 and \$640,000. The **fiscal note** assumes 20 grants will be awarded in both FY 2002-03 and FY 2003-04 at a cost of \$200,000; 20 grants represents a combination of both individual counties and workforce regions.
- *Staff Support.* The bill requires the DOLA to provide technical assistance and training to support participating counties and community partners in implementing the work force development programs funded by the community planning grants. Assuming 20 grants, the DOLA will require a total of 0.8 FTE and associated operating expenses in both FY 2002-03 and FY 2003-04. Costs in year one are estimated at \$59,735 with year two costs estimated at \$55,999. Should 64 grants be awarded, the DOLA would require 2.8 FTE at a cost of \$844,151 in year one and \$832,943 in year two.

State Appropriations

The Department of Local Affairs should receive a General Fund appropriation of \$259,735 and 0.8 FTE for FY 2002-03.

Departments Contacted

Human Services

Labor and Employment

Local Affairs

Omissions and Technical or Mechanical Defects

Technical Note: The DOLA indicates that the state has a current federal grant that provides for statewide assessment much like the counties would be required to perform with the grants received under this bill. However, the federal grant has different assessment guidelines and cannot be used to implement this bill. The current federal grant requires assessments to be performed by a state-level agency on a statewide basis.

Bill D

HOUSE SPONSORSHIP

Crane, Cloer, and Stafford

SENATE SPONSORSHIP

Hagedorn

A BILL FOR AN ACT

CONCERNING INCENTIVES TO ENCOURAGE COLORADO WORKS
PARTICIPANTS TO PURSUE A LIVING WAGE.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Welfare Oversight Committee. Authorizes a county department of social services ("county department") to implement a Colorado works living wage program ("living wage program"). States that under the living wage program, a participant may agree to pursue an educational plan, thereafter obtain employment, and finally to maintain consistent employment for a period of not fewer than 6 consecutive months in return for a series of incentive payments or other incentive agreed to by the participant and the county department. Specifies that the goal of the program shall be to enhance the participants' earning potential and, ultimately, their ability to earn a living wage. Stipulates that Colorado works participants and the county department shall work cooperatively to design educational plans. Requires the terms and details of the educational plan, the subsequent employment and duration thereof, and the incentive therefor, to be set forth in the participant's individual responsibility contract ("IRC"). Identifies certain notice provisions that must be included in a participant's IRC. As part of the living wage program, requires the county department, in conjunction with the local workforce center:

- To assess the participant's past educational achievements, the participant's future educational and career goals, and the participant's academic abilities and potential;
- To work cooperatively with the participant to design a realistic educational plan and specific, attainable academic benchmarks toward the completion of the educational plan and career planning;
- To provide incentive payments to the participant at the time of the achievement of the educational goal, at the time of employment, and at the time that the participant maintains successful employment for a period of not fewer than 6 consecutive months, or such other incentive to which the participant and the county department may agree;
- To establish a mechanism by which to evaluate the participant's progress and achievements; and
- To impose applicable sanctions on the participant for failure to follow the educational plan, which would constitute nonparticipation in a work activity.

Specifies that a county may coordinate the living wage program with other educational programs.

Requires each county department to report annually to the state department of human services concerning the number and demographics of participants who have elected to participate in the living wage program, the fiscal impact of the program in that county, and the results of the program relating to the ability of participants to achieve a living wage.

States that the living wage program shall not be deemed to create a legal entitlement to incentive payments or other benefits for participants who wish to pursue a living wage under a living wage program.

Makes a conforming amendment.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. 26-2-708 (3), Colorado Revised Statutes, is amended
BY THE ADDITION OF A NEW PARAGRAPH to read:

26-2-708. Benefits - assessment - individual responsibility contract - screening for domestic violence. (3) The IRC shall contain

provisions in bold print at the beginning of the document that notify the participant of the following:

(c.5) FOR A COUNTY THAT HAS ELECTED TO IMPLEMENT A COLORADO WORKS LIVING WAGE PROGRAM AS DESCRIBED IN SECTION 26-2-708.3, THAT THE IRC MAY REQUIRE THE PARTICIPANT TO MEET CERTAIN REQUIREMENTS BASED UPON THE PARTICIPANT'S AGREEMENT TO PURSUE A LIVING WAGE UNDER A LIVING WAGE PROGRAM.

SECTION 2. Part 7 of article 2 of title 26, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

26-2-708.3. Colorado works living wage program. (1) A COUNTY MAY ELECT TO IMPLEMENT A COLORADO WORKS LIVING WAGE PROGRAM PURSUANT TO THE PROVISIONS OF THIS SECTION, REFERRED TO IN THIS SECTION AS THE "PROGRAM". UNDER SUCH A PROGRAM, A PARTICIPANT MAY AGREE TO PURSUE AN EDUCATIONAL PLAN, THEREAFTER OBTAIN EMPLOYMENT, AND FINALLY TO MAINTAIN CONSISTENT EMPLOYMENT FOR A PERIOD OF NOT FEWER THAN SIX CONSECUTIVE MONTHS IN RETURN FOR AN INCENTIVE AGREED TO BY THE PARTICIPANT AND THE COUNTY DEPARTMENT. THE GOAL OF THE PROGRAM SHALL BE TO ENHANCE THE PARTICIPANT'S EARNING POTENTIAL AND, ULTIMATELY, HIS OR HER ABILITY TO EARN A LIVING WAGE. UNDER THE PROGRAM, THE PARTICIPANT SHALL WORK COOPERATIVELY WITH THE COUNTY DEPARTMENT TO DESIGN THE EDUCATIONAL PLAN. THE TERMS AND DETAILS OF THE EDUCATIONAL PLAN, THE SUBSEQUENT EMPLOYMENT AND DURATION THEREOF, AND THE INCENTIVE THEREFOR SHALL BE SET FORTH IN THE PARTICIPANT'S INDIVIDUAL RESPONSIBILITY CONTRACT. IF A COUNTY DEPARTMENT ELECTS TO IMPLEMENT A COLORADO WORKS LIVING WAGE

PROGRAM, THEN THE COUNTY DEPARTMENT, IN CONJUNCTION WITH THE LOCAL WORKFORCE CENTER, SHALL, IN EACH CASE IN WHICH A PARTICIPANT ELECTS TO PARTICIPATE IN THE PROGRAM:

(a) ASSESS THE PARTICIPANT'S PAST EDUCATIONAL ACHIEVEMENTS, THE PARTICIPANT'S FUTURE EDUCATIONAL AND CAREER GOALS, AND THE PARTICIPANT'S ACADEMIC ABILITIES AND POTENTIAL FOR ACHIEVING SUCH EDUCATIONAL GOALS;

(b) WORK COOPERATIVELY WITH THE PARTICIPANT IN DESIGNING A REALISTIC EDUCATIONAL PLAN AND SPECIFIC, ATTAINABLE ACADEMIC BENCHMARKS THAT WILL ASSIST THE PARTICIPANT IN SUCCESSFULLY COMPLETING THE EDUCATIONAL PLAN, CAREER PLANNING, AND, ULTIMATELY, ACHIEVING A LIVING WAGE;

(c) PROVIDE A BONUS TO THE PARTICIPANT IN THE FORM OF AN INCENTIVE PAYMENT AT THE TIME OF THE ACHIEVEMENT OF THE EDUCATIONAL GOAL, AN ADDITIONAL INCENTIVE PAYMENT AT THE TIME OF EMPLOYMENT, AND A THIRD INCENTIVE PAYMENT AT THE TIME THAT THE PARTICIPANT MAINTAINS SUCCESSFUL EMPLOYMENT FOR A PERIOD OF NOT FEWER THAN SIX CONSECUTIVE MONTHS OR SUCH OTHER INCENTIVE TO WHICH THE PARTICIPANT AND THE COUNTY DEPARTMENT MAY AGREE AND AS SET FORTH IN THE IRC;

(d) ESTABLISH A MECHANISM BY WHICH TO EVALUATE THE PARTICIPANT'S PROGRESS TOWARD AND SUCCESSFUL ACHIEVEMENT OF PREDETERMINED GOALS; AND

(e) IMPOSE ANY APPLICABLE SANCTIONS FOR NONPARTICIPATION IN A WORK ACTIVITY ON SUCH PARTICIPANT IN THE EVENT THAT HE OR SHE FAILS TO FOLLOW SUCCESSFULLY THE EDUCATIONAL PLAN OR SUCCESSFULLY

ACHIEVE THE PREDETERMINED ACADEMIC BENCHMARKS AS SET FORTH IN THE INDIVIDUAL RESPONSIBILITY CONTRACT.

(2) IN IMPLEMENTING A COLORADO WORKS LIVING WAGE PROGRAM, A COUNTY MAY COORDINATE THE PROGRAM WITH OTHER EDUCATIONAL PROGRAMS DESIGNED TO LEAD TOWARD SELF-SUFFICIENCY, INCLUDING:

(a) SCHOLARSHIP PROGRAMS;

(b) WORKFORCE EDUCATION, PARAPROFESSIONAL, AND OTHER TRAINING PROGRAMS DESIGNED TO MEET WORKFORCE NEEDS IN A SPECIFIED COMMUNITY;

(c) PROJECTS UNDERTAKEN BY THE COUNTY DEPARTMENT IN COORDINATION WITH LOCAL COMMUNITY COLLEGES; OR

(d) A PRACTICAL NURSING EDUCATION PROGRAM.

(3) EACH COUNTY DEPARTMENT THAT IMPLEMENTS A COLORADO WORKS LIVING WAGE PROGRAM SHALL REPORT ANNUALLY TO THE STATE DEPARTMENT CONCERNING ITS PROGRAM, WHICH REPORT SHALL INCLUDE, BUT NOT BE LIMITED TO, THE FOLLOWING INFORMATION IN THE AGGREGATE:

(a) THE NUMBER AND DEMOGRAPHICS OF THE PARTICIPANTS WHO HAVE ELECTED TO PARTICIPATE IN THE PROGRAM, INCLUDING THEIR AGES, GENDER, EDUCATIONAL LEVELS, AND INCOME LEVELS;

(b) THE FISCAL IMPACT OF THE PROGRAM FOR THAT COUNTY; AND

(c) THE MEASURABLE RESULTS OF THE PROGRAM IN RELATION TO A PARTICIPANT'S ABILITY TO COMPLETE SUCCESSFULLY THE EDUCATIONAL PLAN, TO OBTAIN AND MAINTAIN EMPLOYMENT, AND TO ACHIEVE A LIVING WAGE.

(4) THIS SECTION SHALL NOT BE DEEMED TO CREATE A LEGAL ENTITLEMENT TO INCENTIVE PAYMENTS OR OTHER BENEFITS FOR COLORADO WORKS PARTICIPANTS WHO WISH TO PURSUE A LIVING WAGE UNDER A LIVING WAGE PROGRAM.

SECTION 3. 26-2-703, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

26-2-703. Definitions. As used in this part 7, unless the context otherwise requires:

(13.3) "LIVING WAGE" MEANS AN INCOME, WHETHER BY SALARY OR HOURLY WAGE, THAT ENABLES AN INDIVIDUAL TO BE SELF-SUFFICIENT AND NOT RELIANT UPON PUBLIC ASSISTANCE.

SECTION 4. No appropriation. The general assembly has determined that this act can be implemented within existing appropriations, and therefore no separate appropriation of state moneys is necessary to carry out the purposes of this act.

SECTION 5. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

DRAFT

Bill D

Colorado Legislative Council Staff
NO FISCAL IMPACT

Drafting Number: LLS 02-0120
Prime Sponsor(s): Rep. Crane
Sen. Hagedorn

Date: November 27, 2001
Bill Status: Welfare Reform Oversight
Committee
Fiscal Analyst: Janis Baron (303-866-3523)

TITLE: CONCERNING INCENTIVES TO ENCOURAGE COLORADO WORKS
PARTICIPANTS TO PURSUE A LIVING WAGE.

Summary of Assessment

The bill authorizes county departments of social services to implement a Colorado Works Living Wage Program. The goal of such program is to enhance the participant's earning potential and his or her ability to earn a living wage. Under the program, a participant may agree to pursue an educational plan, obtain employment, and maintain consistent employment for a period of not fewer than six consecutive months in return for a series of incentive payments or other incentives agreed to by the participant and the county department. The terms and details of participation in the program are to be set forth in the participant's individual responsibility contract. The bill stipulates the requirements of county departments and participants regarding the program. The Colorado Works Living Wage Program shall not be deemed to create a legal entitlement to incentive payments or other benefits for participants who wish to pursue a living wage under the program. The bill is effective upon signature of the Governor.

The bill is assessed as having no state or local fiscal impact. The bill establishes an optional program counties may implement under the Colorado Works Program. Any county electing to offer the program would absorb the program's costs within its county block grant allocation. For FY 2001-02, the Colorado Works Program, County Block Grants, appropriation is \$158.7 million.

Departments Contacted

Human Services Labor and Employment

Bill G

HOUSE SPONSORSHIP

Boyd, and Tochtrop

SENATE SPONSORSHIP

Hernandez, and Linkhart

A BILL FOR AN ACT

CONCERNING SEGREGATED FUNDING UNDER THE COLORADO WORKS
PROGRAM.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Welfare Oversight Committee. Requires the department of human services to segregate all county block grant funds allocated for the Colorado works program. Allows counties to use any segregated state or local moneys allocated under the Colorado works program in accordance with federal law. Prohibits the use of state and local segregated moneys for the purposes of capital construction.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. 26-2-714, Colorado Revised Statutes, is amended BY
THE ADDITION OF A NEW SUBSECTION to read:

26-2-714. County block grants formula - use of moneys.
(5.5) THE STATE DEPARTMENT SHALL SEGREGATE COUNTY BLOCK GRANT

FUNDS ALLOCATED UNDER THIS SECTION AND COUNTY DEPARTMENTS SHALL REPORT TO THE STATE EXPENDITURES THEY HAVE MADE IN A SEGREGATED MANNER, ACCORDING TO RULES PROMULGATED BY THE STATE BOARD IN ACCORDANCE WITH FEDERAL LAW. THESE FUNDS SHALL BE SEGREGATED IN ORDER TO ENSURE MAXIMUM FLEXIBILITY AND TO ALLOW COUNTIES TO PROVIDE ADDITIONAL ASSISTANCE OR SERVICES, IN ACCORDANCE WITH FEDERAL LAW, EXCEPT THAT STATE AND LOCAL SEGREGATED MONEYS UNDER THIS PART 7 SHALL NOT BE USED FOR PURPOSES OF CAPITAL CONSTRUCTION. THE STATE BOARD SHALL PROMULGATE RULES AS NECESSARY TO IMPLEMENT THIS SUBSECTION (5.5).

SECTION 2. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

DRAFT

Bill G

Colorado Legislative Council Staff
NO FISCAL IMPACT

Drafting Number: LLS 02-0123

Date: November 27, 2001

Prime Sponsor(s): Rep. Boyd
Sen. Hernandez

Bill Status: Welfare Reform Oversight
Committee

Fiscal Analyst: Janis Baron (303-866-3523)

TITLE: CONCERNING SEGREGATED FUNDING UNDER THE COLORADO WORKS PROGRAM.

Summary of Assessment

The bill requires the Department of Human Services (DHS) to segregate county block grant funds allocated for the Colorado Works Program. In turn, county departments of social services are required to report expenditures in a segregated manner. Counties are authorized to use segregated moneys allocated under the Colorado Works Program to provide assistance and services in accordance with federal law. Segregated moneys cannot be used for purposes of capital construction. The bill is effective upon signature of the Governor.

The bill is assessed as having no state or local fiscal impact. Although implementation of the bill will require systems changes and training, the DHS indicates that costs will be minimal and can be absorbed within existing appropriations.

Departments Contacted

Human Services

Bill H

HOUSE SPONSORSHIP

Romanoff, Boyd, Stafford, and Tochtrop

SENATE SPONSORSHIP

Hagedorn, Hanna, Hernandez, and Linkhart

A BILL FOR AN ACT

CONCERNING METHODS TO ADDRESS BARRIERS TO SELF-SUFFICIENCY IN
COLORADO WORKS PARTICIPANTS, AND MAKING AN
APPROPRIATION THEREFOR.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Welfare Oversight Committee. Authorizes the creation of the Colorado works substance abuse and mental health pilot program ("program") to assess the success and the cost-effectiveness of using temporary assistance for needy families (TANF) moneys to provide grants to counties to:

- Improve the screening and assessment of Colorado works participants to identify substance abuse problems or potential mental illness; and
- Identify effective education methods to reduce the stigma associated with seeking treatment of substance abuse problems or mental illness.

Creates an advisory committee to provide input to the department of human services in implementing the program and in awarding grants to counties that voluntarily apply to participate in the program. Specifies the requirements for selection to participate in the program. Requires the department of human services to report the results and the findings of the program to the house of representatives and the senate.

Repeals the program effective July 1, 2006.
Makes an appropriation to implement the act.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Part 7 of article 2 of title 26, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

26-2-724. Colorado works substance abuse and mental health pilot program - criteria - evaluation - advisory committee - repeal. (1) THE GENERAL ASSEMBLY HEREBY FINDS THAT A SIGNIFICANT PERCENTAGE OF COLORADO WORKS PARTICIPANTS HAVE BARRIERS TO ACHIEVING SELF-SUFFICIENCY DUE TO SUBSTANCE ABUSE PROBLEMS OR MENTAL ILLNESS. THE GENERAL ASSEMBLY ALSO FINDS THAT THE IDENTIFICATION OF THOSE PERSONS WHO HAVE SUBSTANCE ABUSE PROBLEMS OR MENTAL ILLNESS DOES NOT ALWAYS OCCUR IN A TIMELY FASHION AND THAT, EVEN WHEN THE BARRIERS ARE IDENTIFIED, THOSE PERSONS DO NOT ALWAYS RECEIVE TREATMENT. THE GENERAL ASSEMBLY HEREBY DECLARES THAT THE PURPOSE OF ENACTING THE PILOT PROGRAM OUTLINED IN THIS SECTION IS TO EXAMINE WHETHER TANF FUNDS CAN BE MAXIMIZED TO ADDRESS THESE BARRIERS THAT PREVENT COLORADO WORKS PARTICIPANTS FROM EFFECTIVELY ACHIEVING SELF-SUFFICIENCY.

(2) THE STATE DEPARTMENT SHALL BE RESPONSIBLE FOR THE DEVELOPMENT AND IMPLEMENTATION OF THE COLORADO WORKS SUBSTANCE ABUSE AND MENTAL HEALTH PILOT PROGRAM, REFERRED TO IN THIS SECTION AS THE "PROGRAM". SUBJECT TO AVAILABLE APPROPRIATIONS, THE PROGRAM

SHALL OPERATE ON A VOLUNTARY PILOT BASIS WITHIN TWO OR MORE COUNTIES SELECTED AS OUTLINED IN SUBSECTION (4) OF THIS SECTION. THE PURPOSE OF THE PROGRAM SHALL BE TO PROVIDE GRANTS TO FUND PILOT PROJECTS, REFERRED TO IN THIS SECTION AS "DEMONSTRATION PROJECTS", THAT:

(a) IMPROVE THE SCREENING AND ASSESSMENT OF COLORADO WORKS PARTICIPANTS TO IDENTIFY SUBSTANCE ABUSE PROBLEMS AND MENTAL ILLNESS; AND

(b) IDENTIFY EFFECTIVE EDUCATION METHODS TO REDUCE THE STIGMA ASSOCIATED WITH AND ADDRESS THE FEARS THAT PARTICIPANTS MAY HAVE IN SEEKING TREATMENT TO ADDRESS SUBSTANCE ABUSE ISSUES OR MENTAL ILLNESS.

(3) (a) IN ORDER FOR THE STATE DEPARTMENT TO DEVELOP AND IMPLEMENT THE PROGRAM WITH SUFFICIENT INPUT FROM PERSONS FAMILIAR WITH THE ISSUES AFFECTING TANF RECIPIENTS AND FAMILIAR WITH HOW MENTAL ILLNESS AND SUBSTANCE ABUSE AFFECTS A PARTICIPANT'S ABILITY TO BECOME SELF-SUFFICIENT, THERE IS HEREBY CREATED THE COLORADO WORKS SUBSTANCE ABUSE AND MENTAL HEALTH PILOT PROGRAM ADVISORY COMMITTEE, REFERRED TO IN THIS SECTION AS THE "ADVISORY COMMITTEE", TO BE APPOINTED BY THE EXECUTIVE DIRECTOR. THE ADVISORY COMMITTEE SHALL CONSIST OF ELEVEN MEMBERS AS FOLLOWS:

(I) PROFESSIONALS WHO ARE EXPERTS IN THE FIELD OF SUBSTANCE ABUSE TREATMENT, ESPECIALLY WITH PUBLICLY FUNDED CLIENTS;

(II) PROFESSIONALS WHO ARE EXPERTS IN THE FIELD OF MENTAL HEALTH TREATMENT, ESPECIALLY WITH PUBLICLY FUNDED CLIENTS;

(III) A REPRESENTATIVE OF A COMMUNITY MENTAL HEALTH CENTER;

(IV) A REPRESENTATIVE OF THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING WHO IS FAMILIAR WITH MEDICAID FUNDING FOR TANF-ELIGIBLE POPULATIONS;

(V) COLORADO WORKS PARTICIPANTS OR ADVOCATES FOR PERSONS WHO ARE COLORADO WORKS PARTICIPANTS;

(VI) A REPRESENTATIVE OF THE DIVISION OF ALCOHOL AND DRUG ABUSE;

(VII) A REPRESENTATIVE OF AN ORGANIZATION REPRESENTING COUNTY GOVERNMENTS.

(b) IN THE DEVELOPMENT AND IMPLEMENTATION OF THE PROGRAM, THE EXECUTIVE DIRECTOR OF THE STATE DEPARTMENT SHALL CONSULT ON A REGULAR BASIS WITH THE MEMBERS OF THE ADVISORY COMMITTEE CREATED IN PARAGRAPH (a) OF THIS SUBSECTION (3).

(c) (I) THIS SUBSECTION (3) IS REPEALED, EFFECTIVE JULY 1, 2006.

(II) PRIOR TO SAID REPEAL, THE ADVISORY COMMITTEE SHALL BE REVIEWED, AS PROVIDED IN SECTION 2-3-1203 (3), C.R.S.

(4) ON OR BEFORE JANUARY 1, 2003, THE STATE DEPARTMENT, AFTER CONSULTATION WITH THE ADVISORY COMMITTEE, SHALL ESTABLISH THE CRITERIA FOR DEMONSTRATION PROJECTS, THE PROCESS FOR SELECTING COUNTIES TO PARTICIPATE IN THE PROGRAM, AND THE OUTCOME AND PERFORMANCE MEASURES THAT SHALL BE USED TO EVALUATE THE SUCCESS

AND COST-EFFECTIVENESS OF THE DEMONSTRATION PROJECTS FUNDED BY THE PROGRAM PURSUANT TO THIS SECTION. THE STATE DEPARTMENT SHALL ALSO ESTABLISH A TIME FRAME FOR PARTICIPATING COUNTIES TO PERIODICALLY REPORT ON IMPLEMENTATION AND RESULTS OF THE DEMONSTRATION PROJECTS. COUNTIES WISHING TO PARTICIPATE IN THE PROGRAM SHALL APPLY TO THE STATE DEPARTMENT NO LATER THAN FEBRUARY 1, 2003. ON OR BEFORE MARCH 1, 2003, THE STATE DEPARTMENT, WITH INPUT FROM THE ADVISORY COMMITTEE, SHALL SELECT TWO OR MORE PARTICIPATING COUNTIES. IN SELECTING FROM AMONG THE COUNTIES APPLYING TO PARTICIPATE IN THE PROGRAM, THE STATE DEPARTMENT SHALL CONSIDER SELECTING COUNTIES THAT REPRESENT DIVERSITY IN GEOGRAPHY, SIZE, AND OTHER DEMOGRAPHIC FACTORS.

(5) A COUNTY APPLYING TO PARTICIPATE IN THE PROGRAM SHALL OUTLINE IN ITS APPLICATION A PROPOSAL FOR A DEMONSTRATION PROJECT THAT ADDRESSES THE PURPOSES OUTLINED IN SUBSECTION (2) OF THIS SECTION. TO BE ELIGIBLE FOR CONSIDERATION FOR THE PROGRAM, A COUNTY SHALL, AT A MINIMUM, DEMONSTRATE THE FOLLOWING:

(a) THAT ANY PROGRAM FUNDS SHALL ALWAYS BE USED TO SERVE TANF-ELIGIBLE PERSONS AND SHALL SUPPORT THE PURPOSES OF THE FEDERAL "PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996", PUBLIC LAW 104-193;

(b) THAT THE DEMONSTRATION PROJECT DEVELOPED BY THE PARTICIPATING COUNTY IS COST-EFFECTIVE;

(c) THAT THE COUNTY DEPARTMENT HAS EXPERIENCED DIFFICULTIES IDENTIFYING COLORADO WORKS PARTICIPANTS WHO HAVE SUBSTANCE ABUSE PROBLEMS OR UNDIAGNOSED MENTAL ILLNESS OR WHO EXPERIENCE BOTH TYPES OF BARRIERS TO SELF-SUFFICIENCY;

(d) THAT THE COUNTY DEPARTMENT HAS A DEMONSTRATED NEED TO IMPROVE ITS PROCESSES FOR SCREENING COLORADO WORKS PARTICIPANTS FOR SUBSTANCE ABUSE AND MENTAL ILLNESS AND REFERRING PARTICIPANTS FOR TREATMENT OF SUCH PROBLEMS;

(e) THAT THE DEMONSTRATION PROJECT DEVELOPED BY THE PARTICIPATING COUNTY IS EXPECTED TO INCREASE THE FREQUENCY OF SCREENING AND REFERRAL OF COLORADO WORKS PARTICIPANTS TO MENTAL HEALTH CENTERS OR DRUG AND ALCOHOL TREATMENT PROVIDERS FOR IDENTIFICATION, ASSESSMENT, AND TREATMENT OF MENTAL ILLNESS AND SUBSTANCE ABUSE PROBLEMS;

(f) THAT THE DEMONSTRATION PROJECT INCLUDES AN EDUCATION COMPONENT AIMED AT ALLEVIATING THE FEARS OF PARTICIPANTS OR THE FEELINGS OF STIGMA ASSOCIATED WITH SEEKING TREATMENT FOR MENTAL ILLNESS AND SUBSTANCE ABUSE PROBLEMS;

(g) THAT THE PARTICIPATING COUNTY HAS DEVELOPED A SCHEDULE FOR PERIODIC REPORTING ON THE IMPLEMENTATION OF THE DEMONSTRATION PROJECT, THE OUTCOMES TO BE MEASURED BY THE DEMONSTRATION PROJECT, AND THE EVALUATION AND ANALYSIS OF THE RESULTS OF THE DEMONSTRATION PROJECT.

(6) THE STATE DEPARTMENT SHALL REPORT TO THE HOUSE HEALTH, ENVIRONMENT, WELFARE AND INSTITUTIONS COMMITTEE AND TO THE SENATE HEALTH, ENVIRONMENT, CHILDREN AND FAMILIES COMMITTEE ON OR BEFORE JULY 1, 2005, CONCERNING THE RESULTS AND FINDINGS OF THE PROGRAM, INCLUDING ANY RECOMMENDATIONS FOR FUTURE LEGISLATION.

(7) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2006.

SECTION 2. 2-3-1203 (3) (s), Colorado Revised Statutes, is amended to read:

2-3-1203. Sunset review of advisory committees. (3) The following dates are the dates for which the statutory authorization for the designated advisory committees is scheduled for repeal:

(s) July 1, 2006:

(I) The dental advisory committee, appointed pursuant to section 25-21.5-106, C.R.S.;

(II) THE COLORADO WORKS SUBSTANCE ABUSE AND MENTAL HEALTH PILOT PROGRAM ADVISORY COMMITTEE, APPOINTED PURSUANT TO SECTION 26-2-724, C.R.S.

SECTION 3. Appropriation. In addition to any other appropriation, there is hereby appropriated to the department of human services, office of self-sufficiency, for allocation to the Colorado works program, for the fiscal year beginning July 1, 2002, the sum of _____ (\$), or so much thereof as may be necessary, for the implementation of the Colorado works substance abuse and mental health pilot program, created in

section 26-2-724, Colorado Revised Statutes. Said sum shall be from federal temporary assistance for needy families block grant funds.

SECTION 4. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

DRAFT

Bill H

Colorado Legislative Council Staff

**STATE
FISCAL IMPACT**

Drafting Number: LLS 02-0119

Date: December 5, 2001

Prime Sponsor(s): Rep. Romanoff
Sen. Hagedorn

Bill Status: Welfare Reform Oversight
Committee

Fiscal Analyst: Janis Baron (303-866-3523)

TITLE: CONCERNING METHODS TO ADDRESS BARRIERS TO SELF-SUFFICIENCY IN COLORADO WORKS PARTICIPANTS, AND MAKING AN APPROPRIATION THEREFOR.

Fiscal Impact Summary	FY 2002/2003	FY 2004/2005
State Revenues		
General Fund	\$ 0	\$ 0
State Expenditures		
General Fund	\$ 0	Possible Increase
Federal Fund	\$ 29,150	\$ 27,861
FTE Position Change	0.5 FTE	0.5 FTE
Other State Impact: None		
Effective Date: Upon Signature of the Governor		
Appropriation Summary for FY 2002/2003:		
Department of Human Services \$ 29,150 FF and 0.5 FTE		
Local Government Impact: None. The fiscal note assumes that counties will not share in the cost of the pilot program. Grants to counties participating in the pilot will be made with federal funds.		

Summary of Legislation

The bill requires the Department of Human Services (DHS) to develop and implement the Colorado Works Substance Abuse and Mental Health Pilot Program. To assist the DHS in this effort, the bill creates an 11-member Colorado Works Substance Abuse and Mental Health Pilot Program Advisory Committee. On or before January 1, 2003, the DHS, after consulting with the advisory committee, shall establish: (1) the criteria for the pilot program; (2) the process for selecting counties to participate in the program; (3) the outcome and performance measures to be used in evaluating the program's success and cost-effectiveness; and (4) a reporting time frame for participating counties.

Counties wishing to participate are required to apply to the DHS no later than February 1, 2003; the DHS is required to select two or more participating counties on or before March 1, 2003. The bill stipulates the requirements of those counties participating in the pilot program. The pilot program is repealed July 1, 2006. The bill includes a blank appropriations clause for FY 2002-03 and identifies federal Temporary Assistance for Needy Families (TANF) block grant moneys as the source of funding for the pilot program.

State Expenditures

Department of Human Services. The bill is assessed at having a fiscal impact of \$29,150 in FY 2002-03 and a minimum of \$27,861 in FY 2003-04 in the DHS. Costs currently identified will provide funding for 0.5 FTE General Professional IV to support both the DHS and the advisory committee in their development of the pilot program in year one. For FY 2003-04 through FY 2005-06, this position will be responsible for program implementation and data collection. The fiscal note assumes that members of the advisory committee will serve without any compensation (the bill is silent on the number of times the advisory committee will meet).

Costs Which Cannot Be Quantified. The following out-year costs cannot be quantified at this time:

- *Pilot Program Costs.* Although costs will be incurred beginning in FY 2003-04 through FY 2005-06 for grants to counties participating in the pilot program, they cannot currently be quantified because the funding criteria is yet to be determined. Additionally, the bill stipulates that the DHS shall select "two or more participating counties" for the pilot program. The number of counties wishing to participate and eventually selected is unknown. In the absence of an identified funding level upon which the pilot program is to be developed and implemented, the fiscal note assumes that pilot program costs will be identified and requested through the annual budget process.
- *Alcohol and Drug Abuse Services.* Section 26-2-724 (5) (e) of the bill states that the demonstration project developed by a participating county is expected to increase the frequency of screening and referral of Colorado Works participants to mental health centers or drug and alcohol treatment providers for identification, assessment, and treatment. To the extent that a significant number of TANF recipients voluntarily seek substance abuse and/or mental health treatment services, licensed treatment providers may require added funding to treat more clients. Both the number of counties and clients participating in the pilot program are currently unknown. Should increased funding be required, it is assumed that funding will be requested through the annual budget process. The fiscal note assumes that General Fund and federal funds would be required for these services.

Department of Health Care Policy and Financing. Colorado Works participants are routinely evaluated for Medicaid eligibility. As individuals become Medicaid eligible, they are eligible to receive mental health services through the Mental Health Capitation Program. The bill is not expected to result in any significant increase in Medicaid expenditures.

Local Government Impact

Counties participating in the pilot program will receive grants from the federal TANF block grant. Counties are not required to share in the pilot program's costs.

State Appropriations

The fiscal note indicates that the Department of Human Services should receive a federal funds appropriation of \$29,150 and 0.5 FTE for FY 2002-03. The source of the federal funds is the federal TANF block grant. The General Assembly has appropriation authority over this source of federal funds.

Departments Contacted

Health Care Policy and Financing Human Services